

Message Text

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51

ACTION EB-03

INFO OCT-01 SS-14 ISO-00 EUR-10 CEA-01 FEAE-00 NSC-07

NSCE-00 CIAE-00 INR-11 NSAE-00 RSC-01 NEA-06 SCI-03

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FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 4017

C O N F I D E N T I A L LONDON 12129

LIMDIS

PASS CEA FOR ALAN GREENSPAN AND JOHN DAVIES

E.O. 11652: GDS

TAGS: ENRG

SUBJECT: WALTER LEVY'S PAPER ON OIL COSTS

REF: LONDON 11979

1. WALTER LEVY'S OFFICE HAS REQUESTED US TO TRANSMIT FOLLOWING CORRECTIONS (CHANGES ARE IN QUOTES) IN TEXT SENT REFTEL.

2. CORRECT LINE IN FIRST PARA OF TEXT TO READ: THE RE-ADJUSTMENT REQUIRED IS TOO RAPID AND TOO HUGE "FOR" ESTABLISHED FINANCIAL MARKET MECHANISMS.

3. CORRECT FIRST HEADING TO READ: OIL COSTS CANNOT BE "SUSTAINED".

ADD FOOTNOTE TO END OF FIRST PARA UNDER FIRST HEADING ENDING IN WORDS: - IS CONTINUING - AS FOLLOWS: "ACCORDING TO OPEN DECISIONS ON SEPTEMBER 13TH, THE ADDED BURDEN IN FOREIGN EXCHANGE ON IMPORTING COUNTRIES CAN BE ESTIMATED
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AT \$3.5 - 5 BILLION A YEAR".

CORRECT LINE IN SECOND PARA UNDER FIRST HEADING TO READ:
SO THE WORLD'S OIL IMPORTERS ALSO CONSIDER TOGETHER,
CAN ONLY REALLY PAY "BY TRADE" LESS THAN HALF THIS YEAR'S
OIL BILLS.

4. CORRECT SECOND HEADING TO READ: "MANY" OIL DEBTORS
ARE "OR WILL BECOME" NON-CREDITWORTHY.

5. CORRECT THIRD HEADING TO READ: OIL DEBT WOULD
SWAMP "FINANCIAL" MARKETS.

6. CORRECT FIFTH HEADING TO READ: "PRODUCERS" PREFER OIL IN
GROUND TO "DUBIOUS CREDIT RISKS".
CORRECT SENTENCE IN SECOND PARA UNDER FIFTH HEADING TO READ:
"OPEC" OPINION WOULD PREFER TO CUT BACK THEIR PRODUCTION,
RATHER THAN EXCHANGE A WASTING NATIONAL RESOURCE FOR
"WHAT MIGHT TURN OUT TO BE" WORTHLESS PAPER.

7. CORRECT SEVENTH HEADING TO READ: OPEC NEEDS TO "FACE"
THE ALTERNATIVES.
CORRECT LINE IN SECOND PARA UNDER SEVENTH HEADING TO READ:
IN THIS PLANNING, THE ECONOMICALLY STRONGEST OIL-
IMPORTING COUNTRIES, WHICH WOULD OBVIOUSLY ATTRACT MOST OF
THE INVESTMENT AND OF THE SURPLUS FUNDS "AND TRADE" OF OIL
PRODUCING COUNTRIES, ETC.
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Message Attributes

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